

LNF & IHCIF Calculations Illustration

- TULE RIVER in California area -

Given Data

- 2,394 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 45% = % Expenditures on purchased services, 55% = % expenditures in-house
- 110.8% = Cost index for purchasing health care in this geographic area
- 123.2% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,486 per person for purchased services = $45\% * 110.8\% * \$2,980$
- \$2,020 per person for in-house services = $55\% * 123.2\% * \$2,980$
- \$3,506 per person total = \$1,486 (purchase) + \$2,020 (in-house)
- **\$3,363 per person total** adjusted for health status = $\$3,506 * 95.9\%$
- **\$2,618 per person net cost** = $\$3,363 - \745 Other resources (M&M&PI)

Existing Expenditures (for 2,394 users excluding wrap-around and collections)

- \$1,402 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,678 per person for OU users** = $\$1,402 + \$222 + \$54$

LNF Calculation

- **49.9% Gross LNF** = $\$1,678$ (expenditures) / $\$3,363$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **64.1% Net LNF** = $\$1,678 / \$2,618$ net cost ($\$3,363 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 64.1% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

TULE RIVER Unmet Needs

- **\$6,268,102 Net Total Need** = 2,394 users * \$2,618 net cost
- **\$2,250,609 Net Unmet Need** = $(100\% - 64.1\% \text{ LNF}) * 2,394 \text{ users} * \$2,618 \text{ net cost}$